



DUKE HEIGHTS BIA'S PROFESSIONAL SERVICES STRATEGY

Strategic Planning Document



Pouyan Tabasinejad
DUKE HEIGHTS BIA

DUKE Heights BIA Professional Services Sector Strategy

Executive Summary

The DUKE Heights BIA commissioned this document to develop a strategy to encourage business activity in the professional services sector of the BIA. It is the continuation of a series of recommendations made by a consultancy report (the DUKE Heights Economic Development Study) commissioned by the City of Toronto and the BIA in 2016 completed by the IBI Group which identified 5 sectors that the BIA should focus on and encourage.¹

During the development of the DUKE Professionals strategy, the following observations about the professional services industry in the BIA were made:

- There are approximately 4100 jobs in the professional services sector of the DUKE Heights BIA, with approximately 750 firms and an average size of 5 employees.
- Small firms dominate in this sector, with 87% of the firms having less than 10 employees and these enterprises being responsible for nearly half (46%) of the sector jobs in the BIA
- Almost half (45%) of firms in DUKE Professionals have only one employee.
- DUKE Heights professional services industry is more productive than the average in the country: revenue per employee is approximately \$156,000, higher than the national industry average of \$142,000.
- The DUKE professional services sector generates \$710 million annually in revenues.

This document makes a series of recommendations for the professional services sector initiative. These are divided into Branding, Institutional Collaboration, and Marketing Assistance. Additionally, the report provides a summary of funding opportunities for the initiative, an implementation strategy for the initiative, and a proposed evaluation strategy.

The report's branding strategy constitutes the use of a sub-branding strategy placing DUKE's professional services sector under the greater DUKE brand as DUKE Professionals. It outlines a sector branding strategy known as "geographical positioning," which emphasizes the DUKE Professionals sector's geographic location close to subway stations, York University, and hospitals.

The institutional collaboration strategy suggested by the report emphasizes working with educational institutions, especially York University's Osgoode Hall Law and Schulich Business Schools. These partnerships will encourage increased activity, productivity and perhaps most importantly, employment in the sector. This includes collaboration on the acquiring of better management practices by firms, marketing strategies, and legal advice.

Internationalization and export promotion for the sector is also explored, along with a marketing assistance effort. The marketing assistance effort emphasizes using existing institutional resources to help DUKE Professionals firms market themselves when they may not have the required expertise or resources to do so effectively. It also suggests using DUKE's existing connections with Osgoode to help DUKE Professionals firms market their businesses through workshops, lectures, and the creation of a marketing database.

¹ IBI Group. DUKE Heights Economic Development Study, 2016

<http://www.dukeheights.ca/wp-content/uploads/DUKE-Heights-Economic-Development-Study-and-Executive-Summary-FINAL-2016....pdf>

September 2017

The report ends by suggesting a stage based implementation plan and an evaluation strategy combining quantitative and qualitative methods to ensure the viability and effectiveness of the sector strategy.

Snapshot of sector

Professional services constitute a significant sector in the DUKE BIA. The BIA has approximately 4100 jobs in this sector with approximately 750 firms. Businesses in this sector include consulting services, financial services such as accounting, scientific and research services, and technical services, among others. They are denoted by NAICS codes 51, 52, and 54.

Canada has a domestic market of about \$ 300 billion in professional services (approximated by adding the gross product of the NAICS code sectors). Professional services employ about 1.9 million people across the country.² Firms in this industry are generally very small, with only 0.3% of the businesses in the Professional, Scientific, and Technical Services sector employing more than 100 people.³

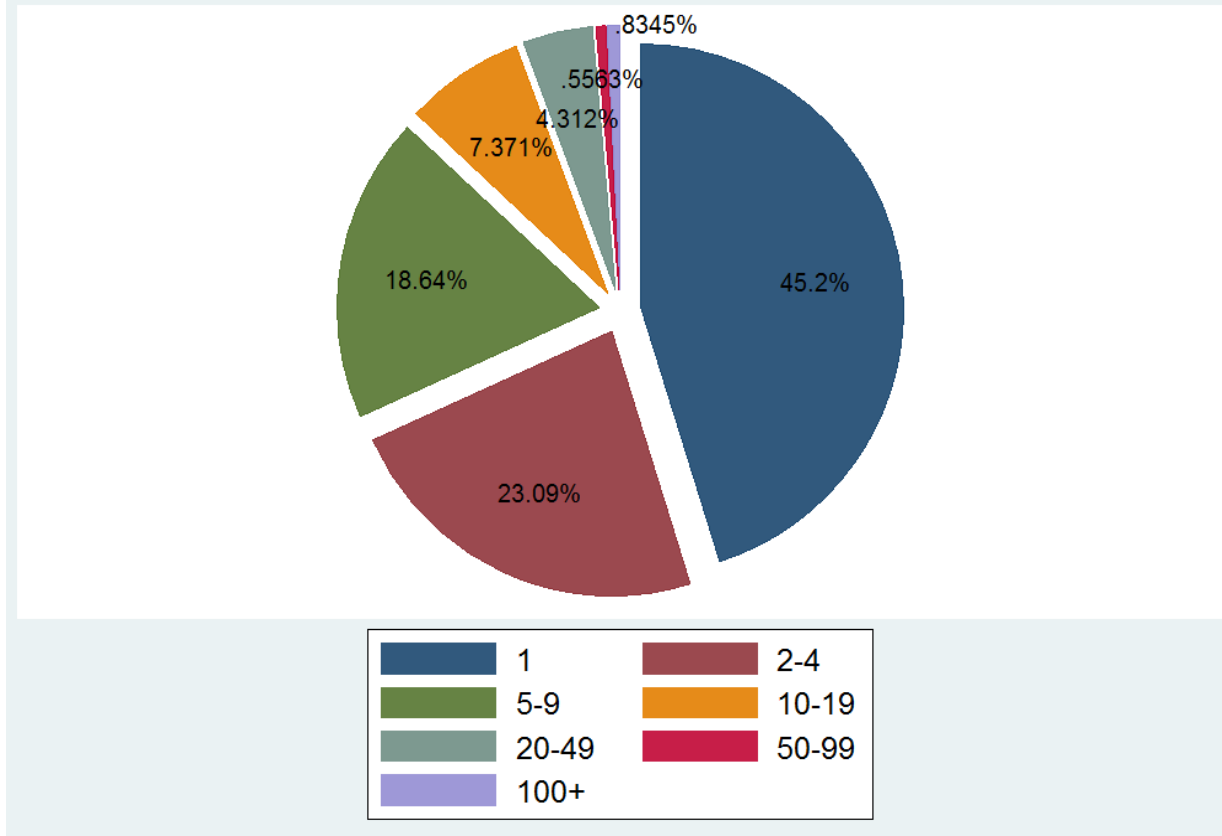
The sector in the BIA by and large follows national trends, with small firms being dominant. Less than 0.8% of DUKE professional service firms employ 100 or more people. Nearly half (46%) of the 4100 employees in the sector work for firms which employ 10 employees or fewer, and the average firm size is 5.3 employees. This is in contrast to other sectors in the BIA, especially manufacturing sectors, where up to 95% of the jobs belong to the few largest firms employing more than 50 employees.

² Industry Canada

https://www.ic.gc.ca/eic/site/si-is.nsf/eng/h_ai02289.html

³ https://www.ic.gc.ca/eic/site/si-is.nsf/eng/h_ai02289.html

Breakdown of DUKE Professional Firms by Number of Employees



There are 6 firms which have 100 or more employees in this sector, and the rest have less than 50 employees. Nearly half of the firms in the area (45%) have only one employee according to available data. A quarter (23%) of firms have between 2 and 4 employees, and 19% of firms have between 5 and 9 employees. Finally, about 12% of firms in the area have between 10 and 50 employees. Only about 1.4% of firms have 100 or more employees, suggesting a concentration (98.6%) in what is termed by Industry Canada as small enterprise, i.e. firms with less than 100 employees.

The sector brings in approximately \$710 million annually in revenues (a conservative figure based on available firm information). The professional services sector in DUKE generates approximately \$ 156,000 in revenue per employee (measured through the total revenues divided by the total employees of the sector for the companies for which that information was available). The average national revenue per employee in the Professional and Technical Services sector (NAICS code 54) is approximately \$142,000.

DUKE’s professional services sector is therefore very competitive and attractive for business. However, the sector is not aware of its competitiveness and relative strength. This is information which should be known within the industry, policy circles, concerned institutions, or even among DUKE Professionals service firms themselves. This lack of awareness prevents the professional services sector from: receiving public investment, gaining reputational benefits for its firms, coordinating within the different firms in the BIA for mutual benefit, and attracting private investment in the sector for growth. The DHBIA therefore has an opportunity to facilitate certain initiatives in the professional services sector to assure that the available resources in the sector

September 2017

(including the institutions in the surrounding areas) are efficiently and effectively used for the mutual benefit of the firms in the sector and for the BIA generally.

Branding Strategy

For Duke Heights' professional services sector strategy to be successful, it needs to effectively brand its professional services sector in a way which encourages greater growth and competitiveness of the sector. The following brand strategy is backed by research and best practices in sector initiative branding. It will describe how the DUKE Heights BIA will use a *sub-brand strategy* to brand the professional services sector as DUKE Professionals.

Objectives

- To allow the DUKE Heights BIA to effectively brand its professional services sector both to its stakeholders, prospective workers, and to relevant consumers
- Highlight the unique strengths of the BIA and its professional services sector: particularly, the sector's increased productivity relative to the national average and its favourable geographic location
- To add value for all the firms in the professional services sector of the BIA by allowing them to benefit from the brand and reputation of the BIA's professional services sector
- To attract consumers, skilled workers, businesses, and investment into the BIA through effective and realistic branding of the professional services sector
- To establish the DUKE Professionals Sector as the premier professional services centre in Canada

Branding Platform

The DUKE Professionals branding platform will take advantage of the work done on the DUKE brand – industrious, tough, hardworking, enterprising; new engine of growth between Dufferin and Keele; most connected BIA.

Brand values: industrious, tough, hardworking, enterprising.

Brand positioning: Due to DUKE's geographical location by the emerging Finch West subway station at Keele and Finch, Seneca College and York University of the professional services sector in the BIA, DUKE Professionals will employ a *geographical positioning* strategy – emphasizing the sector's proximity to services, educational institutions, and infrastructure as its greatest asset: "DUKE Professionals is the best-connected professional services hub in the GTA. Located by subways, Seneca college, and York University, consumers, businesses, and skilled workers in the professional services business should look at DUKE Professionals as their first choice."

Brand promise: "Canada's best connected professional services hub, all in the heart of the GTA"

The following statistics and figures should be emphasized to demonstrate the DUKE Professionals' viability and attractiveness:

- DUKE Professionals companies bring in \$ 710 million in revenue annually
- 750 professional service providers and 4100 employees offer a wide variety of services

September 2017

- DUKE Professionals is located by subways, highways, and arterial roads, allowing easy access to and from other parts of Toronto and the GTA
- The Finch LRT, expected completion 2019, will further connect DUKE Professionals
- DUKE Professionals is right next to educational institutions such as York University and Seneca and their talented labour pools
- DUKE BIA is located extremely close to and has an established relationship with Osgoode Hall law school, “Canada’s top law school”
- Toronto offers a series of tax and other incentives for businesses who expand, build, or renovate properties, like the Imagination, Manufacturing, Innovation and Technology (IMIT) Program, which shields businesses from the increased property taxes of their developments.⁴

The following should be part of the branding effort to consumers:

- DUKE is an area in which one can get all their professional services in the same place: accounting, law services, consulting, marketing can all be done in a single day with minimal travel time
- 750 professional service providers and 4100 employees assure that customers will receive excellent service

⁴ <https://web.toronto.ca/business-economy/business-operation-growth/business-incentives/>

Brand Architecture

A sub-brand architecture will be used, presenting DUKE Professionals under the greater DUKE brand. This allows the professional services sector to take advantage of the work that has been done on the DUKE brand, which includes DUKE Perks, DUKE News, DUKE Talks:

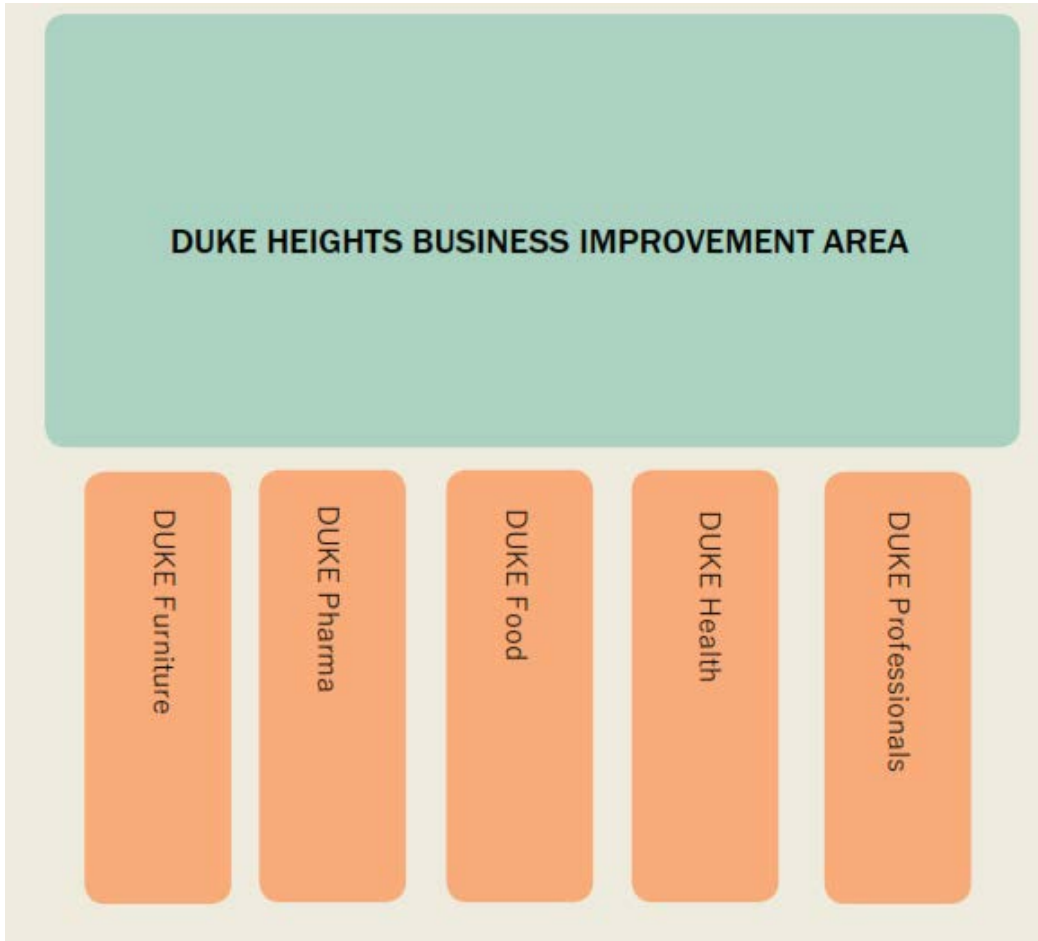


Figure 1. DUKE Sub-Brand Architecture

The advantages of a sub-brand architecture are that it allows the DUKE Professionals brand to benefit from the reputation that DUKE has already gained and allows the greater DUKE brand to gain greater reputation from association with the DUKE Professionals brand in the future.

Marketing Communication Strategy

One part of the communication strategy would consist of internal communication which would inform the BIA's professional services firms of the DUKE Professionals initiative, allowing them to support and further publicize the initiative within their own networks. The value of the initiative will be presented to these stakeholders. DUKE Professionals will be incorporated into DUKE's website and networks, and aesthetic branding incorporating the DUKE logo will be incorporated. Newsletters, community papers, social media, and

September 2017

media coverage, methods with which DUKE is already familiar and experienced, will all be used as mediums for communicating the establishment of DUKE Professionals.

The DUKE Ambassadors Program will be used as part of the communication strategy to inform individuals and businesses in the industry of DUKE Professionals. These industry leaders will publicize the sector during the course of their business travels and attendance at conferences, thus allowing DUKE to publicize itself within the industry with minimal cost.

It is essential that the sector initiative and BIA invest in communicating the brand that has been outlined in the above section as part of its marketing communication strategy. The research shows that branding is an integral part of sector initiatives. However, this brand needs to be communicated with target markets, both businesses and consumers. The DUKE BIA will only gain results from the branding that is required from a sector initiative if it successfully and significantly invests in advertising and communicating that brand.

A more specific PR strategy will be created by the BIA's communications department to market DUKE Professionals to the professional services industry outside of the BIA, including attendance at trade fairs, targeted advertising, and other communications methods.

Institutional Collaboration Strategy

Sector initiatives offer considerable opportunities for educational and research institutions. Sector initiatives can allow educational institutions to harmonize their curriculums and programs with the industries in which their students hope to gain future employment. This enhances the appeal of the institutions in question to prospective students and delivers better value to their existing students. Educational collaboration is something which DUKE has already been involved with, launching a collaboration with Seneca college and the DUKE food industry in 2017. The Seneca initiative can be used as a model for collaboration with educational institutions.

York University is an institution with which the DUKE BIA has experience and an established working relationship. York is a premiere educational and research institution with a variety of leading schools and programs in management (Schulich) and law (Osgoode), among others. These schools each offer a path for collaboration in the professional services industry, described below.

Osgoode – The Osgoode Hall Law School has an established working partnership with DUKE and has invested resources to work with the DUKE BIA as part of their initiative to establish connections with the local community. Osgoode has already expressed interest in developing a program with local lawyers in DUKE to provide consultation and advice to businesses in the area. This would include a legal clinic geared towards small businesses to help them access crucial legal resources and consultation.

The school could also help develop business law workshops geared to the professional services industry. One specific type of workshop relates to how DUKE Professionals firms can protect themselves legally and take necessary legal and practical precautions to reduce their legal risk.

Internationalization, i.e. the expansion into markets outside of Canada, is another area in which DUKE sector initiative could aid professional service firms. Internationalizing one's firm involves a variety of legal

September 2017

jurisdictions and complex legalities are in place, complexities which may comprise a considerable barrier for firms who may be considering entering export markets. In this way, Osgoode can help firms in DUKE take the next step in their business and open new markets and sources of revenue and employment (more below).

Schulich– The Schulich business school can facilitate sector-based workshops for the professional services industry with the aim of giving advice to professional services firms in DUKE. These would include giving specialized advice and information on the challenges and opportunities facing the professional services industry in DUKE. In this way, Schulich students and faculty can provide DUKE Professionals firms with knowledge and practices with which they would not have been familiar otherwise, encouraging success and greater competitiveness. These workshops can include best practices in management, strategies for better marketing (more below), and recruitment and retention of workers.

Due to DUKE Professionals' overrepresentation of small and single employee businesses who often do not have the ability or expertise to market their businesses effectively, there is considerable opportunity for collaboration on marketing. The BIA can work with Schulich to develop workshops to help teach DUKE Professionals companies to effectively market their services with minimal resources. Schulich has already posted a paid co-op position on behalf of a DUKE Health firm to recruit an MBA student who can help with marketing, the creation of a business plan, and market and competition research. Similar partnerships can emerge in the professional services, allowing mutually beneficial relationships between Schulich and professional services firms.

Schulich can work with the sector in other ways as well, described in other sections below under the internationalization and export promotion heading.

Employment Ontario Service Providers – DUKE has 3 employment agencies within the BIA, in addition to those outside of the BIA but in close proximity. DUKE can work with these service providers to connect them with the professional services industry and create a mutually beneficial relationship where employment agencies can focus on recruiting professional services industry workers to fill short and long-term positions. Ideally, this would focus on creating long term career pathways into the professional services industry in DUKE, connecting the surrounding environment of marginalized community members to an important and highly competitive industry next door.

Internationalization and Export Promotion Strategy

The typical Canadian conception of exporting is in tangible goods, whether manufactured or natural resources. However, the available data suggests that Canadian services are not only exportable, but that services are becoming increasingly important to Canada's exports generally. For example, data shows that commercial (i.e. not those related to travel, immigration, and government) services such as financial, technical, and management services are the fastest growing export sectors for Canada, totalling \$50 billion in 2012.⁵

DUKE can step in and help its strong professional service sector expand into new markets and be a part of this growing export sector. Below, we will outline strategies which DUKE could adopt to accomplish this goal.

⁵ <http://www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/services/canada.aspx?lang=eng>

Internationalization

Businesses who are beginning to explore the possibility of exporting or have begun to serve foreign markets need both legal and strategic advice. In this respect, the BIA can help by mobilizing the legal and business knowledge that exists in its institutional partners, namely Osgoode Hall Law School and the Schulich Business School.

The DUKE BIA is already in partnership with Osgoode to create a business legal consultation and advice program. This program would involve allowing small and medium size businesses to get legal consultation and advice services, with the former being free of charge and the latter being offered by lawyers in the BIA. There would also be a database of frequently asked questions (FAQs), where general advice on common business questions would be answered on an online medium. The BIA could use this program to help firms internationalize by adding an internationalization aspect to both the advice and database aspects of the program. The database would allow professional service businesses in the BIA who are exploring the possibility internationalizing, to have a low cost and low commitment resource to get a sense of what that would entail, while the advice and consultation aspects would assure that internationalizing firms have a reliable source of legal information for internationalization. Osgoode also has a specialization in international business law and may incorporate this effort into that program.

The second barrier to internationalization for many firms is the difficulty of entering a new and foreign market and the different strategic thinking required to attain success. One study has found that 1/4th of Canadian companies interested in exporting do not know where to begin.⁶ Here, the DUKE BIA can utilize the considerable expertise at the Schulich business school to aid businesses in the planning stage of their internationalization process. Schulich has a strong international orientation, with campuses in India (Hyderabad) and China (Beijing) and programs in international business. Schulich's MBA and BBA programs both have international business specializations that are ripe for collaboration. This could include using students in these programs to help businesses develop internationalization strategies, the creation of basic internationalization strategy content for distribution to businesses, and the conducting of workshops on internationalization (the latter may require heavier faculty involvement). Specifically, the MBA program has a 6-8-month field study requirement, where students must complete a consulting report on a company of their choice in order to graduate. Professional service firms in the BIA looking to expand can offer an attractive opportunity for these MBAs.

Export promotion

Related to the branding effort, the BIA should help professional services firms in DUKE to build brand awareness overseas and help them connect with foreign markets. There are a number of available strategies to accomplish this goal.

Firstly, a program which the BIA is already using to promote exports can be the first step in this effort. The DUKE Ambassadors program was started in early 2017 as a low resource yet effective way to create awareness

⁶ https://www.aimia.com/content/dam/aimiawebsite/landing_pages/100-Global-Champions/Aimia-Report-100-Global-Champions.PDF

September 2017

of the BIA in international markets. The program recruited entrepreneurs and businesspeople from the BIA as DUKE ambassadors who are responsible for creating awareness about the BIA in foreign countries during their regular business travels. The Ambassadors distribute BIA material in international conferences, establishing links with Canadian embassies in foreign countries to attract foreign investor class immigrants to DUKE, and creating connections with foreign retailers and suppliers. This initiative could be expanded to include an Ambassador program specifically for DUKE Professionals, with promotional material developed which advertises the sector's advantages in line with the marketing strategy outlined above. These Ambassadors would attend professional services industry conferences and advertise DUKE Professionals, identify and create links with customers, and encourage foreign professional services firms to consider expanding operations to the DUKE area.

A second type of program is a formal DUKE Professionals presence at industry events in overseas markets. This kind of program would be aimed at small and medium sized businesses who do not necessarily have the resources, either in terms of manpower or monetary resources, to organize for a presence at an industry event. DUKE Professionals could gather resources from the sector's businesses, or use existing ones from grants and other sources, for a presence at these industry events. DUKE Professionals' presence would be to promote the brand of DUKE both for employers and for costumers.

DUKE could also try to grow the reputation of DUKE Professionals by attracting write-ups in international industry magazines and other publications. This could include the writing of op-eds by DUKE staff or the communication with publication writers to create content about DUKE Professionals.

Marketing Assistance Strategy

As mentioned above, marketing is an important opportunity for improvement for DUKE Professionals firms. It is important to note that 68% of these firms have fewer than 5 employees, and about two thirds of these have only one employee. These firms will likely have difficulties advertising themselves, being primarily skilled professionals without expertise in marketing and advertising.

Therefore, there is a specific need in this sector for the transmission of marketing knowledge and the teaching of techniques geared towards allowing these small enterprises to effectively market their businesses. DUKE Heights can help provide for this need through various methods including online marketing databases that businesses can consult, workshops that teach small professional services firms specific methods and best practices in marketing their businesses, and lecture type events by recognized experts in the field of services marketing. Below are short descriptions of how each of these methods could be carried out.

DUKE already has a variety of tools available to its constituent businesses to help them market their businesses effectively, including services to allow them to advertise promotions and build an online presence for their business for the first time. These efforts can be expanded with further marketing programs. Basic marketing techniques can be gathered with relatively low investment of resources and uploaded to an online database which owners and operators of professional service firms in DUKE can consult. This database can be divided into rational categories such as social media marketing, search engine optimization and web marketing, physical marketing, and branding. Professional service operators and owners can then consult these databases at their

September 2017

own convenience, an important aspect since smaller firms, especially those who only have the owner-operator as an employee, often cannot dedicate the time needed to attend events or workshops; they would therefore benefit from having an online database which they can access according to their schedule.

For those professional services firms who recognize the need for greater marketing knowledge, workshops that teach these firms how to effectively market their businesses is an attractive proposition. These workshops could be led by marketing professionals, or MBAs, doctoral students, or professors from the Schulich business school, who would give vital lessons on how professional services firms, especially small ones with little or no time to dedicate to marketing, can market their businesses. These workshops can be divided into themes similar to the database outlined above. The workshops can also be held at times when less customers/patients ask for professional services to maximize attendance.

Finally, lecture type events can be held at networking events organized for the professional services sector in DUKE (more below on networking events). These lectures can be given by recognized experts in the field, including professors and industry experts. These lectures can focus on specific themes and the content should be based on interest from DUKE Professionals firms, utility from a marketing perspective, and the level of knowledge of the prospective audience.

Funding

The Government of Canada and the Provincial government have several programs to encourage cluster (i.e. sector) development in regions. As such, there are funds and grants that the BIA can apply for:

- Cluster Development Seed Fund and the newly introduced Innovation Superclusters Initiative (ISI)
- Funding for the initiative should be discussed and gathered, with a view that government funding such as the *Cluster Development Seed Fund*⁷ exist (up to \$100,000 funding as a 1:1 initiative with private businesses)

Once the DUKE Professionals initiative has been launched and displays success, a need for greater funding will arise to build upon this success. These funds could be pooled and used to launch larger projects than those outlined here, which require greater resources.

What are the Benefits of a Sector Initiative?

Geographical clusters of sectors have been shown to be fundamental to employment, growth, and innovation. The concept of clusters as integral to economic development and collective regional and national competitiveness was first introduced in 1990 by Michael Porter. Since then, scores of initiatives have been introduced worldwide which have attempted to leverage existing sectors in defined local and regional areas to increase employment and competitiveness. These initiatives are the model for this sector initiative strategy. These are initiatives which have shown that they have numerous benefits for firms (small and large firms), institutions, governments, and employees.

⁷<http://www.occ.ca/programs/cluster-development-seed-fund/>

A sector's reputation is often one of the most important benefits that a sector can offer to its target businesses. SMEs (Small and Medium Enterprises) in an area with a strong sector reputation can attract consumers, investors and workers who would otherwise be unlikely to consider these SMEs. On the consumer side, a smaller firm can use its sector's reputation to gain market share without the costly marketing campaigns that smaller firms can rarely afford, especially regarding foreign markets. Smaller firms in a sector with a good reputation can also attract workers who would usually consider working for a smaller firm too risky by allowing these workers to take comfort in the fact that other businesses in the sector offer employment opportunities in case the smaller firm closes. Large corporations often use sector clusters and sector reputations to demonstrate corporate responsibility and communicate with policy makers. By showing that they are working with the local community, large corporations can show that they are responsible citizens in the community and country at large. Equally importantly, corporations often use sector initiatives to communicate effectively with policymakers, advocating for greater public investments in industries that benefit not only themselves, but the rest of the sector as well.

Implementation Plan

Stages and Timeline

Above, individual projects of the DUKE Professionals sector initiative were outlined and opportunities for using the considerable resources of the BIA were described. Below, a proposed timeline and stages for the establishment and monitoring of the success of the BIA will be detailed. The planning stages emphasize consultation with the BIA's constituents.

Consultation should be undertaken before the initiative is implemented both to get ideas from the constituent businesses and to begin building an awareness within the professional services industry of both the initiative and the cluster itself. More is given on consultation processes below.

Networking/lecture events should be held while a short consultation period is being completed, and perhaps in the same venues and events. This will allow the professional services industry to build connections between its actors and to encourage organic cooperation and knowledge sharing. It will also create awareness in the professional services industry of the size and importance of the sector within firms themselves. More information is given on the proposed networking events below.

Implementation of the initiative itself will consist mostly of concomitant programs. Specifically, the branding strategy should begin as soon as possible, communicating the existence and importance of DUKE's professional services industry to both stakeholders and consumers. The other programs largely require close cooperation with institutional partners, especially those in York University. Below is a Gantt chart outlining a proposed plan of the timelines of these projects and how they should work together in view of the general initiative.

Consultation

Before the initiative is officially launched, the BIA will conduct a series of interviews and tests regarding the state of the sector in the area and, especially, the perceived needs of the firms in the sector, to ensure that the initiative's objectives are in line with the needs of the firms in question. This would entail the creation of an

advisory group for the sector. This group would provide feedback and guidance for the sector initiative and assure that both participation and effectiveness of the initiative is maximized.

The BIA already has experience with the creation of these advisory groups and has created a Food sector advisory group. This group can provide the model for the Professional Services advisory group and the lessons learned from that effort can be transferred to the Professional Services effort.

This consultation process should take care to communicate the importance and goals of the sector initiative to the members of the sector to maximize participation and cooperation. The initiative should determine and make clear its overall objectives and vision: *growth* and *investment* are objectives connected with growth, and *export promotion* and *innovation and R&D* are connected to increased competitiveness⁸, and so these objectives should be a part of the initiative's objectives and should be communicated with initiative participants and in the branding effort.

Networking

In addition, a series of networking events should be held, to create/strengthen connections between the players in the sector and create awareness of the existence and strength of the professional services sector in the area. These networking events should be ongoing (i.e. past the research stage) and as frequent as demand allows, since networking and the facilitation of the sharing of information (“knowledge spillover”) is a crucial part of a successful sector strategy according to the available statistical data. Lectures and talks by industry figures and professors of management/business (here, Schulich can be approached) can be used as a draw to attract individuals in the professional services industry to attend. The BIA already has similar networking/lecture events called DUKE Talks, which can be used and expanded to include a Talk for the Professional services industry.

Efforts should be made to invite relevant research and education institutions to these networking events, to create connections with a view to further collaboration – some of these were expanded upon in the institutional collaboration strategy section, but further research into feasibility and interest is needed. Especially invested or interested businesses should be identified for possible inclusion into a sector initiative advisory committee, as recommended in the 2016 IBI Group report.⁹

Evaluation

Evaluations of the cluster's success should be planned to be undertaken yearly; these include quantitative methods such as job growth in the sector, revenue growth for the sector, and number of new businesses opened in the sector, and qualitative methods such as satisfaction of a sample of firms in the sector and their perception of the success of the initiative. The purpose of evaluation is to assure that the sector initiative is sensitive to the

⁸ The Cluster Initiative Greenbook 2.0, 2013:

<http://www.czechinvest.org/data/files/the-cluster-initiative-greenbook-3916-cz.pdf>

⁹ IBI Group. DUKE Heights Economic Development Study, 2016

<http://www.dukeheights.ca/wp-content/uploads/DUKE-Heights-Economic-Development-Study-and-Executive-Summary-FINAL-2016....pdf>

unforeseen realities and changes on the ground and to the desires and needs of the members as the initiative proceeds.

On the quantitative side, the BIA can use the business database to which it is already subscribed to track the expansion of employment, number of firms, and revenue. The D&B Hoovers database is a sales based database which is regularly updated and includes information on number of employees, revenues, and NAICS data. This information can be used, with appropriate statistical methods to assure quality of data and the inferences that derive from them, to determine the success of the sector initiative.

Qualitative evaluation techniques should also be used to determine the views of the sector businesses on the initiative, especially where they feel the initiative is most effective and/or needed. In this way, the BIA can determine where to pay more attention and how to achieve greatest success and value for its businesses.¹⁰

¹⁰ IBI Group. DUKE Heights Economic Development Study, 2016

<http://www.dukeheights.ca/wp-content/uploads/DUKE-Heights-Economic-Development-Study-and-Executive-Summary-FINAL-2016....pdf>